

# News

U.S. Department of Labor  
Bureau of Labor Statistics  
PO Box 193766  
San Francisco, CA 94119-3766



## CONTACT:

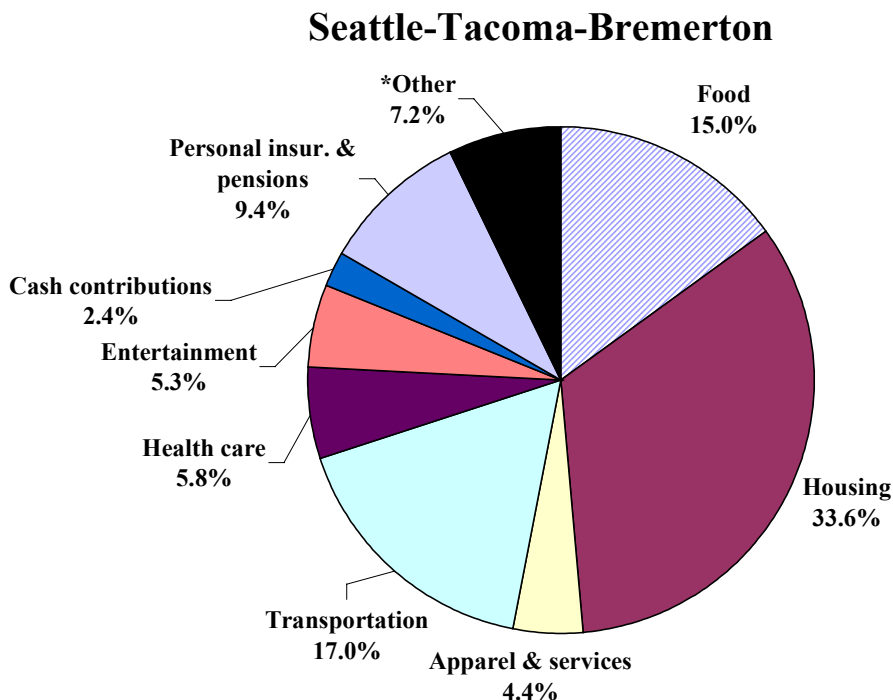
Stanley P. Stephenson (415) 975-4373  
Todd H. Johnson (415) 975-4405  
Internet address: <http://www.bls.gov/ro9/ro9news.htm>  
Fax-On-Demand (415) 975-4567, Document 9780

**BLS 02-39**  
**FOR RELEASE:**  
**Thursday, April 18, 2002**

## CONSUMER SPENDING PATTERNS IN SEATTLE-TACOMA-BREMERTON, 1999-2000

Consumer units<sup>1</sup> in the Seattle-Tacoma-Bremerton, Washington metropolitan area spent \$43,602 per year in 1999-2000, about 16 percent more than the national average according to the latest Consumer Expenditure Survey results from the Bureau of Labor Statistics. Regional Commissioner Stanley P. Stephenson noted that Seattle area households spent above the national average in most major expenditure categories. In Seattle, housing expenses were 20.2 percent higher than that for the nation, driven by the cost for shelter. Spending on food was also considerably higher, at 28.4 percent above the national level. The average household in Seattle reported income of \$51,292 before taxes, and was comprised of 2.4 persons and 1.4 wage earners. (See table 1.)

**Chart A. Percent distribution of total average expenditures, 1999-2000**



\* Includes alcoholic beverages, personal care, reading, education, tobacco & supplies, and miscellaneous goods and services.

<sup>1</sup> See Technical Note for definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

The percentage of the total budget spent by a typical Seattle household for food, housing, and transportation was 65.6 percent, similar to the 65.1 percent spent by an average U.S. household. In comparison to the eight other metropolitan areas surveyed in the West region, households in San Diego spent the largest percentage of their budget on these three categories, 68.1 percent, while households in Honolulu had the lowest combined expenditure share at 61.1 percent. (See table 2. Geographical boundaries of the region and metropolitan areas referenced in this release are contained in the Technical Note.)

This report contains annual data averaged over a two-year period, 1999 and 2000. The data are from the Consumer Expenditure Survey (CEX), which is conducted on an ongoing basis by the Bureau of Labor Statistics (BLS). The Bureau of the Census collects the survey data for BLS. The CEX is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditure levels vary among areas not only because of economic factors such as the prices of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. However, expenditure shares (or the percentage of a consumer unit's budget spent on a particular item) can be used to compare spending patterns across areas. Data shown are annual averages per consumer unit. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

Housing expenses accounted for 33.6 percent of total household expenditures in the Seattle area, higher than the national average of 32.4 percent. Los Angeles, at 37.0 percent, had the largest expenditure share for housing among the other eight metropolitan areas in the West while Phoenix had the smallest, at 31.3 percent. The majority (64.8 percent) of a consumer unit's housing costs in Seattle went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Utilities, fuels, and services accounted for 15.2 percent of household expenses. In comparison, a typical household in the United States spent 58.0 percent of the housing budget on shelter, but 20.0 percent for utilities, fuels, and services. As in Denver, Phoenix, and Portland, 64 percent of all households in Seattle owned their own home, the highest rate of ownership in the West and similar to the nationwide average of 65 percent. Those in Los Angeles were least likely to be homeowners (52 percent).

Transportation was the second largest expenditure category in the Seattle area accounting for 17.0 percent of a household's budget; nationally, transportation made up 19.2 percent of all expenditures. Within the West, both Phoenix and San Diego had the highest expenditure share for transportation at 21.1 percent and Honolulu had the lowest at 13.8 percent, followed by Seattle. Households in Seattle allocated a smaller portion of their transportation budget for vehicle purchases than did consumer units nationwide (37.4 versus 46.6 percent), but spent more on public transportation (9.1 percent) than did those nationally (5.7 percent). Overall, Seattle area residents averaged 2.3 vehicles per household, well above the U.S. average of 1.9 vehicles.

Food accounted for 15.0 percent of total expenditures in the Seattle area, higher than the national average of 13.5 percent and the highest in the West. Among the nine western metropolitan areas, seven had expenditure shares for food at or below the nationwide average, with San Diego spending the smallest percentage (11.1 percent). Consumer units in Seattle spent 43.2 percent of their total food budget on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs, above the nationwide average of 41.7 percent.

Among the other categories, expenditure shares in Seattle for personal insurance and pensions (9.4 percent), out-of-pocket health care costs (5.8 percent), entertainment (5.3 percent) and apparel (4.4

percent) were not very different from the national averages. Seattle was the only area in the West with an expenditure share for medical costs above the nationwide average of 5.3 percent; San Francisco had the lowest share at 3.7 percent

Seattle is one of nine metropolitan areas in the West region for which CEX data are available. Data tables are also available for the four Census regions and the nation. Additional CEX tables are offered on the BLS Internet site <http://www.bls.gov/cex/home.htm> in both text and PDF formats. For personal assistance or further information on the Consumer Expenditure Survey, as well as other Bureau programs, contact the San Francisco Information Office at 415-975-4350.

## **TECHNICAL NOTE**

The current Consumer Expenditure Survey (CEX) program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components, a Diary or recordkeeping survey, and an Interview survey. The Diary survey, completed by participating consumer units for two consecutive 1-week periods, collects data on frequently purchased, smaller items. The Interview survey, in which the expenditures of consumer units are obtained in five interviews conducted every 3 months, collects data for larger-cost items and expenditures that occur on a regular basis. The U.S. Bureau of the Census collects the survey data.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas of the country.

The integrated data from the BLS Diary and Interview surveys provide a complete accounting of consumer expenditures and income, which neither survey component alone is designed to do. Due to changes in the survey sample frame, metropolitan area data in this release are not directly comparable to those prior to 1996.

The expenditure data in this release should be interpreted with care. The expenditures are averages for consumer units with the specified characteristics, regardless of whether or not a specific unit incurred an expense for that specific item during the recording period. The average expenditure may be considerably lower than the expenditure by those consumer units that purchased the item. This study is not intended as a comparative cost of living survey as neither the quantity nor the quality of goods and services has been held constant among areas. Differences may result from variations in demographic characteristics such as consumer unit size, age, preferences, income levels, etc. Users should keep in mind that prices for many goods and services have risen since the survey was conducted.

In addition, sample surveys are subject to two types of errors. Sampling errors occur because the data are collected from a representative sample rather than the entire population. Nonsampling errors result from the inability or unwillingness of respondents to provide correct information, differences in interviewer ability, mistakes in recording or coding, or other processing errors. The year-to-year changes are volatile and should be interpreted carefully. Some expenditure components are subject to

large fluctuations from one year to the next because these components include expensive items that relatively few consumers purchase each year. Thus, shifts from year to year in the number of consumers making such purchases can have a large effect on average expenditures. Examples of these types of expenses are purchases of new cars and trucks in the transportation component, and spending on boats and recreational vehicles in the entertainment component.

The Metropolitan Statistical Areas (MSAs) and Consolidated Metropolitan Statistical Areas (CMSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. The general concept of an MSA is one of a large population nucleus, together with adjacent communities which have a high degree of economic and social integration with that nucleus. The following metropolitan areas are discussed in this release:

Seattle-Tacoma-Bremerton, Washington CMSA which is comprised of Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties;

Los Angeles-Riverside-Orange County, California CMSA which is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties;

San Francisco-Oakland-San Jose, California CMSA which is comprised of Alameda, Contra Costa, Marin, Napa, Santa Clara, Santa Cruz, San Francisco, San Mateo, Solano, and Sonoma Counties;

San Diego, California MSA which is comprised of San Diego County;

Portland-Salem, Oregon-Washington, CMSA which is comprised of Clackamas, Columbia, Marion, Multnomah, Polk, Washington, and Yamhill Counties, Oregon, and Clark County, Washington;

Honolulu, Hawaii MSA which is comprised of Honolulu County;

Anchorage, Alaska MSA which is comprised of Anchorage Borough;

Phoenix-Mesa, Arizona MSA which is comprised of Maricopa and Pinal Counties; and

Denver-Boulder-Greeley, Colorado CMSA which is comprised of Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson and Weld Counties.

The Consumer Expenditure Survey also provides data for the four regions of the country as defined by the U.S. Bureau of the Census—Northeast, South, Midwest, and West. Data for metropolitan areas presented in table 2 of this release are part of the West region which includes the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

## **Definitions**

Consumer unit - members of a household related by blood, marriage, adoption, or other legal arrangement; a single person living alone or sharing a household with others but who is financially independent; or two or more persons living together who share responsibility for at least 2 out of 3 major

types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter - in general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self-employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Expenditures - consist of the transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. Expenditure estimates include expenditures for gifts, but exclude purchases or portions of purchases directly assignable to business purposes. Also excluded are periodic credit or installment payments on goods or services already acquired. The full cost of each purchase is recorded even though full payment may not have been made at the date of purchase.

Income before taxes - the total money earnings and selected money receipts during the 12 months prior to the interview date.

Table 1. Average annual expenditures and characteristics of all consumer units, U.S. average and Seattle Washington metropolitan area, Consumer Expenditure Survey, 1999-2000.

| Item                                       | United States Average | Seattle  |
|--------------------------------------------|-----------------------|----------|
| Income before taxes <sup>1</sup> .....     | \$44,299              | \$51,292 |
| Age of reference person.....               | 48.0                  | 48.5     |
| Average number in consumer unit:           |                       |          |
| Persons.....                               | 2.5                   | 2.4      |
| Earners.....                               | 1.4                   | 1.4      |
| Vehicles.....                              | 1.9                   | 2.3      |
| Percent homeowner.....                     | 65.0                  | 64.0     |
| Average annual expenditures.....           | \$37,622              | \$43,602 |
| Food.....                                  | 5,094                 | 6,543    |
| Food at home.....                          | 2,968                 | 3,839    |
| Cereals and bakery products.....           | 451                   | 573      |
| Meats, poultry, fish, and eggs.....        | 772                   | 902      |
| Dairy products.....                        | 323                   | 409      |
| Fruits and vegetables.....                 | 510                   | 741      |
| Other food at home.....                    | 912                   | 1,213    |
| Food away from home.....                   | 2,126                 | 2,703    |
| Alcoholic beverages.....                   | 345                   | 427      |
| Housing.....                               | 12,188                | 14,644   |
| Shelter.....                               | 7,065                 | 9,489    |
| Owned dwellings.....                       | 4,564                 | 5,781    |
| Rented dwellings.....                      | 2,030                 | 2,896    |
| Other lodging.....                         | 471                   | 812      |
| Utilities, fuels, and public services..... | 2,433                 | 2,225    |
| Household operations.....                  | 675                   | 660      |
| Housekeeping supplies.....                 | 490                   | 636      |
| Household furnishings and equipment.....   | 1,524                 | 1,634    |
| Apparel and services.....                  | 1,816                 | 1,917    |
| Transportation.....                        | 7,215                 | 7,401    |
| Vehicle purchases (net outlay).....        | 3,362                 | 2,766    |
| Gasoline and motor oil.....                | 1,173                 | 1,300    |
| Other vehicle expenses.....                | 2,268                 | 2,657    |
| Public transportation.....                 | 412                   | 679      |
| Health care.....                           | 2,012                 | 2,514    |
| Entertainment.....                         | 1,902                 | 2,301    |
| Personal care products and services.....   | 552                   | 579      |
| Reading.....                               | 153                   | 209      |
| Education.....                             | 633                   | 609      |
| Tobacco products and smoking supplies..... | 309                   | 366      |
| Miscellaneous.....                         | 821                   | 930      |
| Cash contributions.....                    | 1,187                 | 1,061    |
| Personal insurance and pensions.....       | 3,393                 | 4,100    |

<sup>1</sup> Components of income and taxes are derived from "complete income reporters" only.

Table 2. Distribution of expenditures, U.S. average and West region<sup>1</sup> metropolitan areas, Consumer Expenditure Survey, 1999-2000

| Item                                       | United States Average | Anchorage | Denver   | Honolulu | Los Angeles | Portland | Phoenix  | San Francisco | San Diego | Seattle  |
|--------------------------------------------|-----------------------|-----------|----------|----------|-------------|----------|----------|---------------|-----------|----------|
| Average annual expenditures.....           | \$37,622              | \$53,028  | \$46,002 | \$41,972 | \$44,748    | \$44,331 | \$41,991 | \$55,040      | \$47,338  | \$43,602 |
| Percent distribution:                      | 100.0                 | 100.0     | 100.0    | 100.0    | 100.0       | 100.0    | 100.0    | 100.0         | 100.0     | 100.0    |
| Food.....                                  | 13.5                  | 13.1      | 12.3     | 13.7     | 12.3        | 12.8     | 13.1     | 13.5          | 11.1      | 15.0     |
| Alcoholic beverages.....                   | 0.9                   | 1.1       | 1.3      | 1.0      | 0.8         | 1.2      | 1.1      | 1.4           | 0.9       | 1.0      |
| Housing.....                               | 32.4                  | 33.0      | 34.3     | 33.6     | 37.0        | 33.1     | 31.3     | 35.8          | 35.9      | 33.6     |
| Apparel and services.....                  | 4.8                   | 4.7       | 4.7      | 4.7      | 5.5         | 3.4      | 4.7      | 5.7           | 4.3       | 4.4      |
| Transportation.....                        | 19.2                  | 18.5      | 18.1     | 13.8     | 17.2        | 17.6     | 21.1     | 17.7          | 21.1      | 17.0     |
| Health care.....                           | 5.3                   | 4.8       | 4.4      | 5.3      | 4.1         | 4.5      | 5.2      | 3.7           | 4.1       | 5.8      |
| Entertainment.....                         | 5.1                   | 6.4       | 5.5      | 4.8      | 4.4         | 6.1      | 4.9      | 4.2           | 6.1       | 5.3      |
| Personal care products and services.....   | 1.5                   | 1.3       | 1.3      | 1.7      | 1.5         | 1.1      | 1.5      | 1.3           | 1.4       | 1.3      |
| Reading.....                               | 0.4                   | 0.5       | 0.4      | 0.4      | 0.3         | 0.5      | 0.4      | 0.4           | 0.4       | 0.5      |
| Education.....                             | 1.7                   | 1.3       | 1.3      | 2.2      | 1.6         | 1.9      | 1.3      | 1.8           | 1.2       | 1.4      |
| Tobacco products and smoking supplies..... | 0.8                   | 0.9       | 0.7      | 0.5      | 0.5         | 0.5      | 0.6      | 0.4           | 0.5       | 0.8      |
| Miscellaneous.....                         | 2.2                   | 2.4       | 2.3      | 2.3      | 2.7         | 1.9      | 2.1      | 1.9           | 1.6       | 2.1      |
| Cash contributions.....                    | 3.2                   | 3.5       | 2.4      | 4.6      | 3.2         | 5.1      | 3.8      | 1.6           | 1.7       | 2.4      |
| Personal insurance and pensions.....       | 9.0                   | 8.4       | 10.7     | 11.5     | 9.0         | 10.4     | 9.0      | 10.7          | 9.7       | 9.4      |

<sup>1</sup> West region includes: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington,